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TAGS: [SENV](#) [KGHG](#) [ENRG](#) [PGOV](#) [EUN](#) [GM](#)
SUBJECT: GERMAN CONFERENCE PROMOTES INTERNATIONAL RENEWABLE
ENERGY AGENCY PROPOSAL

REF: A. BERLIN 218
[1](#)B. BERLIN 407

[1](#)1. (SBU) Summary: German officials say they plan to work with "like-minded" countries to establish the International Renewable Energy Agency (IRENA) this fall, regardless of whether major developed nations support the endeavor. According to the German proposal, IRENA would offer policy advice, facilitate technology and knowledge transfer, provide capacity building and stimulate research in the field of renewable energy. At a two-day international conference held in Berlin April 10-11, developing nations voiced overwhelming support for IRENA's establishment. Germany plans a consultative process this summer and aims to launch IRENA in November 2008. End Summary.

[1](#)2. (SBU) The German MFA held a "Preparatory Conference for the Foundation of the International Renewable Energy Agency (IRENA)" April 10-11 in Berlin. In a keynote address, MFA State Secretary Heinrich Tiemann argued that the world needs a new international energy network to meet increasing demand and to limit global temperature increases. Environment Ministry (BMU) State Secretary Matthias Machnig said it is important to have IRENA up and running well before the UNFCCC 2009 negotiations in Copenhagen in order to send a political signal to negotiators that the world is ready to confront climate change. Czech Environment Minister (and Deputy Prime Minister) Martin Bursik, Chairman of the European Association for Renewable Energy Hermann Scheer, and World Future Council Chair Bianca Jagger also gave keynote speeches supporting IRENA. Fifty-three nations officially participated in this event. The USG, Australia, Canada, Japan, and the UK sent embassy representatives as unofficial observers.

[1](#)3. (SBU) The objective of IRENA would be to foster and promote the large-scale adoption of renewable energy worldwide. This would be accomplished by: improving regulatory frameworks for renewable energy through policy advice, improving the transfer of renewable energy technology and disseminating skills and know-how for renewable energy. IRENA would also provide services when requested by member states.

[1](#)4. (SBU) Countries expressing support for IRENA included: Argentina, Bulgaria, Chile, Colombia, Costa Rica, Egypt, Estonia, Ethiopia, Ghana, Greece, India, Indonesia, Jordan, Kenya, Malaysia, Mali, Mexico, Morocco, Nigeria, Pakistan, Poland, South Africa and Spain. Many delegates noted that International Energy Agency membership is restricted to OECD members and therefore does not address the needs of developing nations. Countries arguing in favor of IRENA stressed the need for financing, technology and "know-how." Many argued that their experts have difficulty finding

information about renewable energy. They would like a "one-stop shop" that will serve as a clearinghouse for information and advice about renewable energy. Argentina, Greece, and Pakistan highlighted the energy needs of rural communities that are not serviced by existing electricity grids. Mexico offered to host the official founding conference for IRENA this fall. India said that IRENA should be based in a developing country and offered to host the agency, should other members agree.

15. (SBU) Unlike past climate initiatives, Germany presented its proposal for the establishment of IRENA directly to foreign missions in Berlin without first securing EU consensus. This offended some EU members, a number of whom had specific instructions not to take an official position on IRENA at the conference. Representatives from Sweden and Switzerland both privately expressed concerns that IRENA will duplicate renewable energy efforts underway in other fora. The Austrian delegate publicly said that Vienna is home to many international organizations that deal with energy issues and Austria is concerned that IRENA will duplicate the work of those institutions. Norway said it would study the issue at greater length, noting that any new agency must add real value. Italy noted that it could not undertake any political or financial commitments under its caretaker government. Despite these concerns, German officials believe delegates from these EU member states will go along with a developing EU consensus to support IRENA, primarily because many EU member states believe IRENA will help them meet their EU "burden-sharing" greenhouse gas emissions reduction goals or extend power to rural areas.

16. (SBU) IRENA's initial annual budget would be 25 million USD per year. Germany projects the budget will gradually

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increase to 125 million USD. Under the German proposal, capacity to pay would be assessed according to the equity principle used by the United Nations; specifically, a per-capita income deflator will be applied to the three year gross national income average. In a sample fee schedule of nations who officially participated in the conference, the EU and China would bear most of the cost. China argued that developed nations should contribute the financing since developing nations provided a market and renewable energy sources. China also argued that there should be permanent members of the Board of Governors (an idea opposed by all other countries) and that such members should contribute more than other countries. China later asked whether it could receive more from IRENA in technology transfers if it paid higher dues. German officials said IRENA is not intended to be a funding instrument but do expect that it will partner with multilateral agencies -- including international development banks -- to facilitate financing for renewable energies.

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